

3. MODERN DEVELOPMENTS OF ECONOMICS AND FINANCIAL SECURITY

STRATEGIC MANAGEMENT ACCOUNTING AS AN EVOLUTIONARY DEVELOPMENT OF MANAGEMENT ACCOUNTING

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Most textbooks of management accounting define the discipline in terms of its decision making role. It is generally stated that since managerial functions involve using information for better planning and control, therefore, management accounting (MA hereafter) is very important for effective and successful management at all levels. The analytical paper looks at the development of strategic management accounting as a new discipline which promises to be the flagship of the accounting profession. It makes a contribution to the general management literature by clarifying the role of management accounting in decision making and signifying the need for more empirical evidence on usefulness of strategic management accounting for general management.

One comes across various definitions of «accounting» in the textbooks; however, almost all definitions identify two important elements of accounting. First, «process», where accounting is said to identify, measure, analyse and report economic information. Second, 'purpose' which is stated to be helping the users of that information make better decisions. As opposed to financial accounting which provides economic information from the perspective of many external users, management accounting focuses mainly upon the needs of internal managers of an organization.

The discipline of MA, however, promised to make up for two important deficiencies in the then cost accounting. First, the cost accounting focused entirely on numbers and second it was only interested in working out full cost of products.

There is a growing literature on strategic management accounting (SMA hereafter) and increasingly SMA is taught as a subject in accounting degree courses. The underlying assumption of this discipline is that it improves upon the traditional management accounting by enlarging its scope and realigning it more tightly with other disciplines such as strategy and marketing.

Simmonds (1981), who is credited with phrasing Strategic Management Accounting (SMA), differentiates it from MA on the basis of its greater focus on the comparison of the business with its competitors. Bromwich, (1990) contends that SMA enables the management to have a bird's eye view of the competitors' procedures and business techniques business and to take decisions accordingly. In this way a major hallmark of SMA is its inclusion of non-financial aspects for the

purpose of decision making Lords (1996) identifies the following functions which are commonly associated with SMA: 1. Collecting information related to the competitors. 2. Using accounting for a strategic decisions. 3. Cutting costs on the basis of strategic decisions. 4. And, gaining competitive advantage through it.

Given next is a brief review of those tools which are now considered an essential part of SMA toolbox.

Costing: In this costing system the attributes of a product are emphasised, including the products features, certain purchase agreements, or after-sales services. The information inspected, however, has to be relevant to current or future competitors.

Competitor Cost Assessment: Taking advantage of the increasing trend of readily accessing available information, the competitors' costs (production, labour, raw materials) are keenly analysed. Bromwich (1990) stresses the need for studying competitor's costs as understanding them helps in managing a business's own costs.

Competitor Appraisal Based on Financial Statements: It is another effective concept as it permits comparison and benchmarking, the process is also reasonably inexpensive. In their CORE framework, Moon and Bates (1993), argue that the information contained in financial statements can be strategically used with the help of ratio analysis

The Balanced Scorecard(BSC): The BSC was proposed by Kaplan and Norton (1992) in which financial and non-financial measures were integrated for strategic performance management purpose. It aimed to create a balance by linking vision and strategy of the business with multi-dimensional perspectives of customers, internal business processes, learning and growth, and financial position.

Strategic Costing: A further concept of relevance as costs are broken down to measure them for strategic relevance, such as matching the amount competitors spend on areas such as marketing and pricing.

Valuing Customers as Assets: It is a concept that illustrates the importance of a customer or particular group of customers, Guilding and McManus (2002) state that it can be assessed through a method where the present values of estimated profits are discounted from the trading correlation of particular customers.

Value Chain Costing: The technique has been developed from value chain analysis proposed by Porter (1985) for gaining competitive advantage. In this analysis all value-creating activities related to the development of a product or service are linked in the form of a chain. Those activities which are vital for adding value are given more importance.

Brand Management Accounting: Roselender and Hart (2003) carried out studies on implementation of this concept which links accounting information with brand improvement and customer loyalty.

Activity Based Costing (ABC): The ABC is a costing system in which manufacturing overhead costs are assigning to products through a cogent approach, as opposed to allocating the costs on the basis of a predetermined rate. It initially assigns costs to an activity that is directly linked to overheads; and subsequently assigns the costs to those products that require the production activities.

Some authors (for example, Anderson, 2007; Roselender and Hart, 2003) believe that SMA would not only overlap with strategic management but that it would infuse all boundaries of management, and hence it can be concluded with some caution that the future of MA was not only SMA but the integration of all management fields. There is a need for further empirical research on diffusion, implementation and usefulness of SMA practices. Only empirical evidence can establish whether SMA can perform its promised role of a messiah for MA effectively or not.

DEVELOPMENT OF THE SPHERE OF PHYSICAL CULTURE AND SPORTS UNDER NEW ECONOMY CONDITIONS

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In a highly competitive and rapidly changing situation, organizations should not only focus on the domestic situation, but also produce long-term strategy to keep pace with environmental changes. In the past, many companies and organizations could operate successfully, focusing mainly on the daily work, on the internal problems to increase resource efficiency in the current activity. But now, although, rational use of the potential in the current activities remains among the tasks, it becomes crucial to run the company thus that it could adapt to rapidly changing economic conditions.

Nowadays there is a critical situation with the state of health in Ukraine. There has been a sharp increase in morbidity: cases of hypertension has tripled, angina - 2.4 times, myocardial infarction - 30 percent [3]. Adverse environmental conditions caused the increase in the number of sick children. Almost 90% of children, pupils and students have deviations in health, more than 50% - poor physical training, about 70% of the adult population - low and lower than average levels of physical health, including those aged 16-19 years - 61%, 20-29 years - 67.2%, 30-39 years - 66%, 40-49 years - 81.5%, 50-59 years - 81%, 60 and over - 98.1% [3]. Over the past three years (2012-2014), there is a tendency to reduce the life expectancy of men and women, which is now at 10-15 years lower than in the US, Japan, France and other developed countries. According to WHO experts, this is due to high consumption of alcohol and tobacco, which provoke cardiovascular disease and cancer. Domestic demographers provide a more detailed analysis of this phenomenon. They note the poor quality, and sometimes simply the lack of nutrition, deterioration of medical services, inaccessible prices for good medicine, growing pollution, increase of neuro-psychological stress, injuries at work, growth of alcoholism and drug abuse [4]. Also, not the least role in this issue is played by availability of skilled personnel, political and economic situation in the country. The current system of physical culture and